

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0695-01
Bill No.: HB 209
Subject: Drugs and Controlled Substances; Health Department; Crimes and Punishment.
Type: Original
Date: January 30, 2001

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|----------------------------------|----------------------------------|----------------------------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| General Revenue | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | (LESS THAN \$100,000) | (LESS THAN \$100,000) | (LESS THAN \$100,000) |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| None | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2002 | FY 2003 | FY 2004 |
| Local Government | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health** and **Department of Revenue** assume the proposal would not fiscally impact their agencies.

Officials from the **Department of Economic Development** state that after having reviewed the proposal and having sought the conclusion of the appropriate board(s), they are of the opinion that this proposal, in its present form, has no fiscal impact to their agency.

Officials from the **Office of the Secretary of State (SOS)** state this proposal updates the controlled substances schedules. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Insurance could require as many as 30 pages in the Code of State Regulations. For any given rule, roughly half again as many pages would published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. SOS officials state these costs are estimated and the estimated cost of a page in the Missouri Register is \$23.00; the estimated costs of a page in the Code of State Regulations is \$27.00. Therefore, the actual cost could be more or less than \$1,500 $[(30 \text{ pp} \times \$27 = \$810) + (45 \text{ pp} \times \$23 = \$690)]$. The fiscal impact of this proposal in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the cost of printing and distributing the regulations related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial cost, the SOS could request funding through the appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY99 average \$35.61 per inmate, per day) or through supervision provided by the Board of Probation and Parole (FY 99 average \$2.47 per offender, per day). Supervision by the DOC through probation or incarceration would result in some additional costs, but DOC officials assume that the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of

ASSUMPTION (continued)

- offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

If long-range fiscal impact would prove to be an amount in excess of that which could be absorbed by DOC, any costs profiled in this fiscal note would be requested through normal budgetary request procedures for the time periods affected by passage of this proposal

The need for additional capital improvements or rental space is not anticipated at this time. It must be noted that the cumulative effect of various new legislation, if adopted, could result in the need for additional capital improvements funding if the total number of new offenders exceeds current planned capacity.

Oversight assumes that the conviction and incarceration of only one person would create a minimal fiscal impact of less than \$100,000 annually.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** did not respond to our fiscal impact request. However, in response to a similar proposal from last session, MHP officials assumed the proposal would not fiscally impact their organization.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

| | | | |
|---|--|--|--|
| <u>Cost - Department of Corrections</u> | | | |
| <u>Incarceration/Probation costs</u> | <u>(Less than</u> <u>\$100,000)</u> | <u>(Less than</u> <u>\$100,000)</u> | <u>(Less than</u> <u>\$100,000)</u> |

| | | | |
|---|--|--|--|
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>(LESS THAN</u> <u>\$100,000)</u> | <u>(LESS THAN</u> <u>\$100,000)</u> | <u>(LESS THAN</u> <u>\$100,000)</u> |
|---|--|--|--|

| | | | |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2002 (10 Mo.) | FY 2003 | FY 2004 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would make gamma hydroxybutyric acid (GHB) a Schedule I controlled substance, except in circumstances where GHB or its derivatives have been approved for medical use, in which case it would be a Schedule III controlled substance. The proposal would also make ketamine and its derivatives a Schedule III controlled substance and would remove it from the list of Schedule IV substances. The proposal would add gamma butyrolactone and 1,4 butanediol to the list of drugs for which a report would be required to the Department of Health upon all transactions. The proposal would also remove certain timing and data requirements from the reports that would be made to the Department of Health concerning controlled substance transactions, but would add new record-keeping requirements that must meet federal and Department of Health standards. The proposal would authorize the department to inspect the establishments of those who transact controlled substances.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Health
Department of Revenue
Office of the Secretary of State
Department of Corrections

NOT RESPONDING: Missouri Highway Patrol



Jeanne Jarrett, CPA
Director
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